

ROUTING

**Top Secret** 219

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NATIONAL INTELLIGENCE DAILY CABLE

Thursday 2 November 1978

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National Intelligence Daily Cable for Thursday, 2 November 1978

The NID Cable is for the purpose of informing senior US officials.

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SYRIA-IRAQ: Bilateral Relations

25X1 [ ] Syria and Iraq are continuing their cautious efforts to improve bilateral relations, but there are no indications that a large deployment of Iraqi troops to Syria is imminent.

25X1 [ ] Several Syrian ministerial delegations have visited Iraq since the conclusion of the talks between Syrian President Assad and Iraqi President Bakr in Baghdad last week. The talks have focused on economic issues; Syria is interested in trade and in reopening the Iraqi-Syrian oil pipeline, while the distribution of water controlled by Syria through the Euphrates Dam is high on Iraq's list of concerns. Although trade relations have been resumed, no major progress on the other issues has been announced, and further talks are to be held in Damascus later this month.

25X1 [ ] The Syrian-Iraqi military coordination committee established by Assad and Bakr has not yet met--at least publicly.

25X1 DIA [ ] Syrian Air Force Commander Haddad [ ] was doubtful that there would be any meaningful military cooperation between Syria and Iraq. Haddad said nothing serious was happening or would happen in this area.//

25X1 [ ] Haddad's comments probably reflect Syrian military attitudes. While some symbolic military cooperation is likely, we doubt that the Syrians will allow significant Iraqi forces to deploy inside Syria because of Assad's deep-seated suspicion that the Iraqis would try to subvert his regime. [ ]

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ALGERIA: Political Maneuvering

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[redacted] //The failure of ailing President Boumediene to return from Moscow for Algeria's 24th national day celebration yesterday may encourage maneuvering by competing factions within the government to promote a successor in case Boumediene dies or is seriously incapacitated.// The Algerian leader apparently did meet with Soviet party secretary Ponomarev yesterday, according to Moscow domestic service.

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[redacted] Despite widespread speculation in Algiers, an interim government was not announced at the national day celebration; indeed, in line with the Algerian Government's penchant for secrecy, no official note was taken of Boumediene's absence. A caretaker administration, however, may already be in place.

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[redacted]

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[redacted] //There are serious differences at the ministerial level of government underlying this surface unity. One group, led by Boumediene, favors a socialist economy, close ties with the USSR, and a hardline stance on the Western Sahara dispute. Another group, centered around Foreign Minister Bouteflika, favors a less controlled economy and a more pro-Western foreign policy. There is also popular dissatisfaction with the high cost of living, inadequate public services, and an inefficient state-run distribution system.//

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[redacted] //Boumediene's demise or inability to govern could prompt a move by the group opposed to his policies. A change of government could take the form of a cabinet shuffle, or it could become more violent if one of the opposing groups believed its interests were seriously threatened and thought it had enough power to force a change.//

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[redacted] In the past, contending forces in the ruling elite have resorted to behind-the-scenes political maneuvering--rather than force--to resolve or paper over their differences. Boumediene has manipulated these differences over the years to keep potential rivals off balance, and none appears to have enough support at this point to force a change of government.

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25X1 [ ] Colonel Abdelghani, an effective administrator with close ties to fellow Army officers, would not be easily pushed aside. He is considered loyal to Boumediene and presumably has the support of the Army, the dominant branch of the armed forces. Key Army officers, especially Abdelghani, probably would exercise dominant influence in picking a permanent successor to Boumediene and in controlling a new government.

25X1 [ ]  
ARAB STATES: Summit Strategies

25X1 [ ] *The Arab foreign ministers conference in Baghdad ended yesterday with agreement on "middle-of-the-road" proposals, according to Saudi Foreign Minister Prince Saud. The draft proposals will be considered by the Arab summit, scheduled to open today in Baghdad.*

25X1 [ ] Details on the talks are sketchy, but most of the working papers submitted at the conference stressed the centrality of the Palestinian question to any Middle East settlement, rejected the Camp David agreements, criticized Egyptian President Sadat's willingness to sign a separate peace with Israel, urged greater financial support for the confrontation states, and proposed establishment of an institutional framework to follow up any summit decisions. It is also possible that the transfer of the Arab League headquarters from Cairo will be recommended.

25X1 [ ] While such a compromise plan falls short of radical demands, the emphasis on criticism rather than condemnation of the Egyptian President's actions may enable the Saudis and other moderates to subscribe to it. Syrian Foreign Minister Khaddam had urged the conference to adopt measures calling for the expulsion of Egypt from the Arab League and a total diplomatic, political, and economic boycott of Egypt.

25X1 [ ] Jordan is also expected to back the compromise proposals, although it had offered a working paper calling only for study of the problems presented by the Camp David agreements. Jordan's press has reported that the ministers held preliminary discussions on Iraq's proposal to set up a \$9 billion aid fund. The money would go to Egypt--if it reneged on Camp David--and the other confrontation states. The funds would be distributed by Jordan and the PLO. [ ]

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#### GREECE-TURKEY: Border Incident

25X1 [ ] *A Turkish patrol craft collided with and sank a Greek fishing boat off Alexandroupolis near the Greek-Turkish sea boundary in Thrace yesterday.*

25X1 [ ] Greek officials say that the fishing vessel was in Greek territorial waters when the incident took place and that they will make a "vigorous" protest to the Turkish Government.

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25X1 [ ] //We do not believe that this indicates that Turkey has abandoned its policy of trying to cool Aegean tensions pending the outcome of negotiations with Greece. Late last month, for example, the Turks agreed in principle to the formation of a joint Greek-Turkish committee to investigate a dispute over the boundary in the region where the confrontation took place.//

25X1 [ ] //Still, the incident will further heighten bitterness between the two countries, especially if the missing Greek fisherman is not found.// [ ]

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#### TANZANIA-UGANDA: Land Annexation

25X1 [ ] //Kampala radio announced yesterday that Uganda had annexed the area between the Tanzanian border and the Kagera River and said it would administer the territory as a military zone. Uganda has long claimed this sparsely populated area because it regards the river as its natural boundary. Uganda's troops appear to be in effective control there as a result of the recent fighting.//

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[REDACTED] //There have been numerous reports that President Amin's initial charge that Tanzania had invaded Uganda and his later cross-border attacks into Tanzania were designed to cover up dissidence within the Ugandan Army. Amin may, however, have intended all along to seize this contested territory, although it is more likely that he is grasping an unexpected opportunity to boost his domestic stature and his Army's morale.//

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[REDACTED]

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[REDACTED] //The Tanzanians believe their military position along the border with Uganda is unfavorable but have begun moving reinforcements, including about 1,000 troops and artillery, to the area.

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[REDACTED]

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## RHODESIA: Elections Postponed

25X1 [ ] A postponement of Rhodesia's national elections until next February could provide a needed respite for all the parties involved in the settlement process to rethink their positions; it might also move them closer to settlement talks.

25X1 [ ] The transitional government considers it unwise to make a formal announcement of a postponement at this time. Prime Minister Smith is concerned that whites would interpret this as evidence of the government's shaky hold over much of the country. Whites might welcome a postponement, however, because it would mean the continuation of Smith's control of the government--even if for only a few more months. Smith himself prefers to hold settlement talks before the elections, while he can still officially head the Salisbury delegation.

25X1 [ ] The key indication of white support for Smith will be the rate of white emigration between now and the end of the year. The September emigration of almost 1,500 whites was the highest in the country's history. Large numbers of whites reportedly are preparing to leave the country permanently around the end of the year under the pretext of taking a vacation.

25X1 [ ] The government also may fear that any announcement would prompt the guerrillas to take public credit for forcing the postponement and thus encourage them to stiffen their demands in any future negotiations. Once a postponement is announced, the guerrillas and the frontline presidents could be faced either with agreeing to settlement talks in the belief that the transitional government is too weak to resist making significant concessions, or with delaying any talks in the belief that the transitional government is on the verge of collapse.

25X1 [ ] Given such a choice, Zambian President Kaunda and leader of the Zimbabwe African People's Union Joshua Nkomo would probably support talks, while Mozambican President Machel and leader of the Zimbabwe African National Union Robert Mugabe might initially wish to delay. Tanzanian President Nyerere is strongly committed to the UK-US settlement plan and would argue in favor of talks, as would Botswanan President Khama, Angolan President Neto, and the Nigerian Government. Although Nigeria is not represented among the frontline presidents, it has actively associated itself with the search for a negotiated settlement.

25X1 [ ] It seems unlikely that Machel and Mugabe could hold  
25X1 out in the face of such strong support for some form of renewed  
negotiations. [ ]

BRIEF.

Japan

25X1 [ ] Japan's bilateral trade surplus with the US for the  
first nine months of this year stands at \$9.5 billion, 50 per-  
cent over the 1977 level. Although comparable quarterly figures  
are higher this year than last--in large part because of the  
depreciation of the dollar--the trend in the second and third  
quarters showed a decline in the amount of the surplus.

25X1 [ ] Tokyo's import promotion program will probably hold  
the fourth-quarter bilateral trade surplus at the third-quarter  
level, or possibly post another decline. Japan's global current-  
account surplus is likely to reach a record \$19 billion, even  
with emergency import purchases. [ ]

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